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POLICY

**USAID/General Notice
A/AID
05/14/97**

SUBJECT: SUSPENSION OF MISSION NMS OPERATIONS

Reference: Executive Message, "Suspension of Use of NMS for Processing FY 1997 Funds Overseas" dated April 23, 1997

After serious consideration and discussion, the Agency has decided to suspend selected New Management Systems (NMS) modules in the missions until further notice, while continuing full NMS operations in Washington. This action pertains to dollar appropriated funds (program and operating expense). Senior Agency management remains strongly committed to implementing the NMS worldwide. However, various issues remain unresolved with regard to mission implementation. As we are eight months into the fiscal year, senior Agency management has made the necessary decision to shift from mission implementation to concentrated focus on stabilizing the system, completing system requirements, and assuring accurate accounting of Agency transactions.

Senior Agency management commends missions and individual personnel who have dedicated enormous effort to record transactions in the NMS and to make the system function. Your comments have provided insight to the NMS areas still requiring work and has highlighted problem areas that could not have been anticipated without your involvement.

The Operations, Budget and NMS Modules will remain operational in NMS Missions. NMS Missions will be able to create results frameworks and enter indicators and measures in Results Tracking; create new strategic objectives and new activities; apply emphasis area codes for FY 96, 97, 98 and 99 in Activity; and access the various other functionality available in the OPS module, i.e Team, Participation, Lessons Learned and Results Package. Missions will be able to record FY 1996 and FY 1997 OYB amounts and FY 1998 and FY 1999 planning levels at the objective and activity levels in the Budget Module to permit emphasis area coding of their objectives and activities, in accordance with previous instructions received from their DP offices. NMS Missions will continue to be able to access PIPE and the NMS Security applications.

The A&A and AWACS Modules will be disabled (the icons will appear grayed-out to the user) in the missions. A&A and AWACS roles previously assigned to the user will remain intact in the database; however, until further notice, users will not have access to these modules.

The decision to suspend A&A and AWACS operations at the mission was not an easy decision, and has been discussed with regard to overall effect. Many missions have been unable to manage certain aspects of their transactions in the NMS. This decision will permit them to accomplish their business for this fiscal year and record the effects of those transactions. Agency management recognizes that missions have heavily invested personnel resources toward full implementation of the NMS.

The following discussion is intended both to highlight the major issues and the procedures required to operate the NMS and our legacy systems (with principal emphasis on the Mission Accounting and Control System - MACS), simultaneously.

MISSION OPERATING PROBLEMS:

RESPONSE TIME: System/functional response time problems have existed since field implementation of the NMS. Improvements have been noteworthy in the last 60 days; however, there must be further improvements to conduct "normal" business transactions.

Some progress has been made with changes to NMS for application performance improvements. However, the Agency must undertake a discussion and management consensus about the long range design alternatives and interoperability of NMS components for currently assessed business needs and the vision of future functionality. Addressing these issues today will insure that future work and performance enhancing activities will fit a predefined model.

DATA MIGRATION AND MATCHING OF RECORDS: The matching of FACS and CIMS data in the NMS is almost complete. The remaining work requires the migration team to focus attention on the correction of migrated records and to complete migration of some final records. This work is being done on a case-by-case basis and is very time consuming.

After completion of the FACS migration, the migration team will focus attention on correction of records created in the current software that did not populate all tables in the expected manner. These data problems were the result of legacy data that was incompatible with the NMS data structure and software failures which have already been identified and are being corrected.

MACS financial transactions have not been migrated to the NMS, nor is it feasible to dedicate the necessary effort to the MACS migration in the next several months. As a

result, balances from bilateral obligations using FY 96 and prior funding (which comprise a dollar majority of the financial transactions in the field that will need to be accomplished this FY) cannot be accessed in the NMS.

TRAINING: Regional overseas training was conducted on version 2.0 of the NMS in April 1996. Specialized training has also been provided at 6 missions. A concentrated training effort is necessary. There is no "quick fix" to overcome this training problem. The Agency will dedicate adequate resources to improve NMS competency of all staff. The entire NMS training instance will remain operational at NMS Missions during this suspension.

ADDITIONAL FUNCTIONALITY: There are not sufficient resources both to simultaneously design and implement several important development requirements (such as accruals, deobligations, fiscal year-end processing, reporting) and to address the daily problems from 40 (39 missions and USAID/W) NMS locations. It is important to direct development and maintenance resources toward completing required functionality, and to stabilize the system.

BILATERAL AGREEMENT ISSUE: The NMS will accept posting of bilateral agreements using current year funding. However, the AWACS system is not yet able to fund sub-obligations from bilateral transactions using prior year funding. The budget allowances for prior year funds are contained in MACS, and therefore, are not accessible in NMS. Since the funding cannot be redistributed, there is no expedient way to access the funding in A&A to create subcommitments and subobligations. It should be noted that the majority program obligations done in the field are bilateral agreements, and most of the funding is prior year. While a bilateral transaction using current year funding can be posted in AWACS, the Strategic Objective Agreement (SOAG) cannot be incrementally funded from multiple appropriations. Until the software can be modified to permit incremental funding of bilateral agreements and permit access to prior year funding for subcommitments and subobligations, the NMS cannot operate as designed.

SOLUTION: The Agency has carefully considered various options, and has decided upon the following procedures to enable the Agency to record and manage all transactions, before the fiscal year-end.

Therefore:

All missions are required to record obligation transactions against **ALL** mission funds in MACS.

The A&A and AWACS modules of the NMS will not be used in the field by end-users until further notice.

All NMS modules will continue to operate in USAID/Washington.

FACS will be used to record memorandum obligations for mission funding paid from Washington.

The MAARD.REV will be used to record commitments for procurement transactions

Procurement transactions where the Total Estimated Cost or Price is \$25,000.00 or less should follow the same procedures listed below in paragraph F. However, those transactions, which are **completely mission funded** transactions should not be sent into USAID/W, but will be reported to USAID/W using the method of batch reporting on the SF 281, Federal Procurement Data System (FPDS), Summary of Contracting Action Report (\$25,000 or Less). Personal Services Contracts (PSCs), regardless of dollar value, should follow the procedures below, and should be sent to USAID/W also.

Section F. below outlines the procedures that Mission will be responsible for following with regard to their request and award documents. It is **IMPERATIVE** that Mission Management give this the highest attention and ensure that these documents are sent to USAID/W in accordance with the following procedures. Failure to comply with these directions may jeopardize and further complicate that Mission's MACS migration and reconciliation with A&A award information. There will be **NO** additional migration of award information.

PROCEDURAL REQUIREMENTS:

- A. Missions should immediately suspend performing future actions within the A&A and AWACS modules of the NMS for the remainder of FY 1997. Missions will be given a reasonable time to "adjust" records in the NMS.
 - 1. Transactions already obligated in the NMS will **NOT** be deobligated and decommitted.
 - 2. They will remain in NMS and will ALSO be recorded in MACS immediately upon approval of this notice.
 - 3. Any funds which have been committed, but NOT obligated, in NMS, will need to be decommitted, immediately upon approval of this notice.

The funds and allowances for these activities can remain at the appropriate activity level. Missions should revert to MACS for management and control of funds and to ensure that additional actions are **NOT** obligated against mission NMS funding.

B. BUDGET ALLOWANCES:

1. The recording of budget allowances that move funds from the bureau to the mission (and Washington offices) will continue to be recorded in the NMS. Bureau personnel will be identified and provided NMS roles to "accept" mission budget allowances only at the mission level on behalf of missions, thereby completing the accounting for budget allowances.

The NMS will provide bureaus with the controls for issuing budget allowances to assure that they are operating within the allotments and OYB's assigned to them. To record this information bureaus must provide official budget allowances (BA), which will be retained for future reference. The bureau will be responsible for transmission of the BA to the benefitting mission to support official accounting records. Bureaus **MUST** coordinate any reductions in budget allowances with the operating unit (OU) to ensure that the OU did not previously encumber funds before recording the decrease in the NMS.

With the effective date of this action, bureaus will prepare a cumulative budget allowance cable to each mission advising them of the cumulative allowances already issued. Each mission is responsible for confirming agreement with the bureau advice or resolve any differences with the bureau. Future budget allowances will use these cumulative balances as the starting point, and amend with the additions or reductions of any budget allowances. Missions will create their budget allowances in MACS based on the cable advice and additional BAs. The recording of these allowances will provide the basis for fiscal control over mission resources. Additional information on this subject is contained in paragraph F.3 below.

The structure for building FY 1997 budget plan codes (BPC) is similar to the structures used in FY 1996 and prior (A Guide Through the Budget Plan Code or document name BPCGuide.OT). In many cases, missions have already extrapolated these BPC's for recording in MACS. M/FM/CAR, David Ostermeyer will perform monthly reconciliations of budget allowances between the NMS and MACS records. Questions may be referred to M/FM/CAR/FCGL, Chivon Anderson or Darin Dixon.

2. With regard to funds provided to missions via the 'Manage Org' function of OPS, missions should ensure that **all** funding that is **not obligated** is decommitted. Missions should revert to MACS for the management and control of these funds and take the necessary steps to assure that additional actions are **NOT** obligated against these funds.

As of the effective date of this action, operating units which have provided funding to a field operating unit via 'Manage Org' will prepare a cumulative budget allowance cable to each field operating unit advising of the cumulative allowances issued. The receiving operating unit is responsible for confirming agreement with the issuing operating unit's official advice. Future budget allowances will use cumulative balances as the starting point, and amended BAs will be issued with the additions or reductions. Operating units will create their budget allowances in MACS based on the official advice and additional BAs.

Operating units (OU) desiring to send funding via the Manage Org function of NMS will create the necessary activities in NMS, distribute the proper amount of OYB and budget allowances to the activity, and name the appropriate receiving operating unit as the managing organization. In addition, bureaus will provide missions funding via BAs in the same manner as in FY 96 and prior years. Missions receiving such funding will record the BAs and all related actions in MACS.

- C. Mission Controllers' offices should immediately record ALL FY 1997 transactions in MACS. Any transactions previously recorded in the NMS (not in MACS) should be identified and recorded in MACS. Missions shall **NOT** reverse NMS **obligations** recorded to date.
- D. M/FM will produce reports that identify all mission obligation transactions and their general ledger effect. These reports will be used to summarize detailed mission NMS posting which will then be reversed (in summary) from the general ledgers of the Agency by USAID/W.

These reports will take some time to generate. The first report will provide summarization of all accounting, and the second will report the details, by mission, for all transactions. The second report, when completed, will be transmitted to each mission for reconciliation to assure that all NMS transactions are properly recorded to MACS before the end of the fiscal year.

- E. Missions should assure complete MACS reporting of the U-101, U-102, electronic quarterly P19 submission, and monthly operating expense, object class reports. The information from the U-101 will permit recording of obligation, disbursement, accrual and advance transactions into the general ledger. The U-102 will be used in Washington to monitor obligation recording against the 85% requirement and to reconcile budget allowances recorded by missions against those balances assigned to each mission. The monthly flash report will be prepared by M/FM/CAR (David Ostermeyer). The quarterly submission of the electronic P19 reports will be used to populate the PIPE Tool database and to provide a basis for continued monitoring and management of the Agency pipeline. Monthly operating expense reports should be prepared from MACS

using the new expanded object class codes (EOCC), **NOT** function codes. Guidance on the conversion to the EOCC in MACS was provided to mission controllers via 12/23/96 E-mail from Joe Sterling.

- F. In order to conduct the Agency's business and provide for adequate management of Agency funds the following method of recording award transactions should be used. It is **IMPERATIVE** that Mission Management give this the highest attention and ensure that these documents are sent to AID/W in accordance with the following procedures. Failure to comply with these directions may jeopardize and further complicate that mission's MACS migration and reconciliation with A&A award information. There will be **NO** additional migration of award information.
1. If the **entire** transaction involves USAID/W managed budget allowances then both the commitment and obligation will be recorded by the USAID/W operating unit in the NMS.
 2. If the entire transaction involves USAID mission managed budget allowances, and the **funds are not field support**, the FINANCIAL transaction will be recorded in the field in MACS. This includes the commitment (earmark - old term) of the funds and the obligation (commitment old term) of the funds. Each mission should:
 - a. Use the Modified Acquisition & Assistance Request Document ("MAARD": a WP macro called maardrev.wpm) to record the request and commitment information in MACS. This document can be found in the WordPerfect Macro Facility. If you are unable to find this document contact Clarence Desbordes and Kerwin Stephens in M/IRM. To record solicitation and other pertinent award information, an Award Data sheet WP Macro entitled nmsawd.wpm should be used (not yet released to the Missions).
 - b. The controller should stamp the MAARD "committed" (earmarked) when they enter the commitment (reservation) transaction in MACS.
 - c. The Contracting/Grant Officer (CO) in the field accepts the MAARD and continues to work on the MAARD requirements. **THE NMS AWARD NUMBER SHOULD BE GENERATED IN ACCORDANCE WITH CIB 95-24 AND SHOULD BE RECORDED IN MACS.** The procedures for obtaining a Delivery Order (DO) or Task Order (TO) number is that the mission CO/Negotiator will contact Judy Britt in

M/OP/CIMS to get a DO/TO number. A DO/TO number will be sent via e-mail back to the mission CO/Negotiator to be used on the award.

- d. When the CO makes the award (obligates funds or otherwise approves the unfunded award modification) the signed award document (generated in the "DGS), along with the approved MAARD, should then be sent electronically to the M/OP mailbox **AAMISSION@OP.SPU**. A hard copy of the award document should be sent to the responsible mission controller's office. The MAARDs received at USAID/W will be entered in the NMS by a requestor that has the appropriate NMS security login for the Mission for whom they are entering the data. The system will then provide a request ID that will be handwritten on the MAARD. For transactions entered into the NMS but not completed, please provide the Request and the Organization IDs on the MAARD.

THERE WILL BE NO COMMITMENT OF FUNDS OR ASSIGNMENT OF ACCOUNTS APPROVED BY THE PROGRAM MANAGER IN NMS. THE REQUEST WILL NOT CONTAIN A FINANCIAL TRANSACTION - THE COMMITMENT IS RECORDED AND TRACKED IN MACS.

- e. M/OP/CIMS will then record the Award document against the appropriate Request ID/ORG ID that was entered into the NMS at USAID/W. This will allow the Agency to fulfill its Federal Procurement Data Center (FPDC) reporting requirement, allow continuity of Award actions in one system (the NMS) and, most importantly, provide the necessary information for MACS migration system to date, the MAARD and the Award information should be sent to the mailbox noted above as soon as possible. For obligations completed in the NMS to date, it is not necessary to send an electronic copy of the award document to the mailbox, however, a hard copy of the award document should still be sent to M/OP/CIMS for microfiche purposes. The obligated amount of the award will be recorded, but this will only be a record of the amount for informational purposes.

THERE WILL BE NO OBLIGATION OF THE MISSION FUNDS IN NMS. THE AWARD THAT IS APPROVED IN THE NMS WILL NOT CONTAIN A FINANCIAL TRANSACTION - THE OBLIGATION (COMMITMENT) IS RECORDED BY THE RESPONSIBLE MISSION CONTROLLER AND TRACKED IN MACS.

Upon approval, the award, the completed MAARD, the award document, and the award data sheet shall be forwarded to the AAMission mailbox. The MAARD (funded or unfunded) should be sent with the award document, to the e-mail box, **ONLY AFTER THE APPROPRIATE SIGNATURES HAVE BEEN OBTAINED.**

NOTE: FUNDED MAARDS SHOULD BE FORWARDED ONLY AFTER THE OBLIGATION HAS BEEN RECORDED IN MACS.

Awards must be sent to USAID/W as soon as obligation occurs, as FPDC is a quarterly reporting requirement, and all obligations must be recorded in the quarter in which they are approved.

- f. To ensure that no anti-deficiency violations occur during the decommitment process, the RCO should clear any decommitment of funds.
- g. Any disbursement against these MISSION transactions will be recorded in MACS only. The vouchers do not need to be sent to USAID/W, unless USAID/W is designated as the paying location.

DOCUMENTS TO BE FORWARDED TO AAMMISSION@OP.SPU:

Completed MAARD (electronically)
Completed Award Data Sheet (electronically)
Completed Award Document (electronically)

DOCUMENTS TO BE FORWARDED TO M/OP/COMS:

Completed Award Document (one hard copy)

FIELD SUPPORT

- 3. The following provides summary guidance concerning **Field Support (FS) activities**. Some details concerning use of the NMS and FS have not been finalized, and supplemental guidance will be issued within a few days.

Fiscal year 1997 funds for all FS activities will be at the geographic bureau level with management responsibility delegated to the Global Bureau (G). G/PDSP has compiled spreadsheets of all FY 1997 FS requirements, based on a survey that was completed earlier this year. The results of the survey were also used in preparation of the Statistical Annex and the Population Metering Plan. G/PDSP will forward the spreadsheets as working documents to the geographic bureaus for confirmation of field support requirements (except population, because the metering plan is finalized) with their missions. Of particular importance on the spreadsheets are the countries that will receive FS,

funding accounts, major sector areas, designated G Bureau activity, and notations when FS is being applied to earmarks/directives. Final spreadsheets should be provided to both G/PDSP (Elizabeth Roche) and M/B/PA (Larry Dominessy) by the bureaus **NLT May 23, 1997**.

Non-Population Field Support: Most non-population field support funds will be designated under the management responsibility of the G Bureau during the month of May. Further adjustments after May will be done as required, and the G Bureau is responsible for any additional Congressional/Technical Notification requirements. Upon receiving management responsibility, the cognizant Center in G will create contracting request, M/OP will make actual awards which result in the obligation of funds. G is responsible for coordinating with geographic bureaus and missions receiving field support to ensure proper allocation and use of the funds.

Population Field Support: All population funds, including field support, are metered and are released by M/B on a monthly basis according to the Population Metering Plan established by G/PHN/POP. The Plan was developed in coordination with missions and geographic bureaus, and provides details for the metering of bilateral, field support, and G core population fund requirements. Population FS will follow the same procedures in the NMS as non-population funds, except that they are allocated monthly. The Global Bureau is responsible for Congressional/Technical notifications beyond those previously notified in the Statistical Annex, procurement request, and obligation of funds. G/PHN/POP is the principal coordinator for population funds in G. G/PHN/POP will coordinate with M/B/PA and the originating operating unit and geographic bureau to monitor the allocation and use of the funds.

Emphasis Area Coding: Geographic bureaus will provide only the highest level sector coding to indicate the broad sector earmark or directive for funds being made available for G management. G will work with the individual operating units to ensure that all emphasis area coding - both at the primary and secondary levels - complete and fully reflects the attributes of the funds required for Agency reporting. The determination basis for making these coding decisions will be the spreadsheets discussed above. Variations in programming from the operating unit's requests will only be done in joint consultation among G, the appropriate geographic office, and the cognizant operating unit.

Additional Guidance: As stated above, additional guidance will follow, that will amplify procedures for management and tracking of field support resources. No further field support transactions should be completed until this guidance is received.

4. If the transaction involves mission funds (all years) that will contribute funding to a Washington based obligation the same process described above in paragraph 2, should be used. The Mission should prepare a MAARD and record the financial transactions in MACS. The MAARD should then be recorded in the NMS at USAID/W by the appropriate backstop officer, as a non-financial transaction. Separate contract modifications will be required for each NMS versus non-NMS funding type.
 5. If the transaction involves mission funds that will result in a task/delivery order, the same procedure in paragraph 2 above should be used, except **BEFORE** award the CO must contact M/OP/CIMS to get a DO number.
- G. In cases where Washington serves as the paying station for a mission funded obligation, M/FM/A, Joanne Dockter will record a memorandum obligation in FACS to permit payments and the issuance of Advices of Charge (AOCs). This practice is currently being used for FY 1996 and prior funds. For FY 1997 funding, M/FM/CAR, David Ostermeyer will create memorandum upper level (appropriation, apportionment, allotment and budget allowance) funding that can be used to record these memorandum obligations.
- M/FM will identify all FY 1997, mission funded obligations paid by USAID/W to date from NMS. Through generated reports, Washington will provide information on each transaction. The report will be used to generate a manual AOC which will be transmitted to the funding mission for posting. M/FM will record the accounting transactions for these AOCs in the general ledger. M/FM believes that these transactions are less than one hundred.
- If a mission serves as the paying station for a USAID/W obligation (generally commodity import programs and loans), the mission should record a memorandum obligation against Washington fund cites and make payment against this memo obligation. This results in a mission to USAID/W AOC that will be posted to the NMS upon receipt by **M/FM**.
- H. Although mission access to the production environment will be suspended, missions will continue to have access to **ALL** modules in the training instance. Missions should continue training in anticipation of future implementation. The training instance will be modified periodically. When the data migration team completes the FACS migration and data correction work, attention will be turned to migration of MACS data.

- I. **Numbering:** For activities that are new for FY 1997, it is necessary for missions to properly build the desired strategic objective and activity structures in the OPS module of the NMS. The recording of the activity (project) in MACS will require the cross-referencing of the MACS project numbers with the activity structures in the NMS, and the creation of unique project numbering sequences to be recorded in MACS. These project numbers should be coordinated with the operating unit (bureau from which funds have been provided) to assure consistent reporting of these activities/projects.

Please be sure to incorporate the new project number in the activity name in NMS (as many of you have done in the past). Example of activity name: "Maternal Health Clinics (698-1234)".

This guidance does not answer all of the questions associated with implementing these procedures. However, we are committed, as a team, to successfully implement this solution and the development mission of USAID. Should additional information regarding this notice be required, please contact Carrie Johnson. For questions regarding specific information the contacts are:

Module Managers:

A&A: Angela McNerney, 703-875-1189
AWACS: David Ostermeyer, 202-663-2580
Budget: John Richter, 202-647-6638
OPS: Larry Tanner, 703-558-9368

Bureau Contacts:

AFR: David McCloud, Libby Donargo, or Paul Knepp
ANE: Linda Martin or Sheila Blackman
BHR: Miguel Luina
ENI: Denny Robertson or Suk Lee
G: Lorie Dobbins
LAC: Susan Hill

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